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Personnel Administration as an Aid to Industrial Stability

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FREQUENTLY a national problem seems difficult because there is no panacea and because its solution depends upon the development of inter-related theories or principles and then the carrying out the practice which is based upon those principles. Allow me to illustrate. Possibly the greatest national problem facing the American people one hundred years ago was the rapid increase of the food supply of the nation. For such a problem there was no panacea. That man made a contribution who formulated the principle that the problem would be solved by bringing into cultivation the millions of acres of land which were supposed to be sterile and up to that time had lain fallow. However, the contribution was not really effective until the practice had made those acres fertile.

A contribution was made in solving this same problem by the man who saw the necessity for more adequate means of transporting food products, but the principle was not effective until the practice had manifested itself in the construction of the railroads. The man who saw that the problem could be solved only by fundamental inventions in farm implements made a contribution, but a greater contribution was made by the man who invented the farm implements. The man who saw the necessity for applying scientific farming to agriculture rendered a service, but the man who made it scientific rendered a greater service. The food supply problem was largely solved, not by any one principle or one practice, but by the inter-relation of principles and practice.

Thirty or forty years ago our greatest national problem was that of expanding markets. The man who saw that we could expand our markets only by extending our systems of credit, by changing from a cash to credit system, formulated a principle that was essential, but the practice based on that principle made the real contribution. The man who saw that it was necessary to have large centers of distribution made a contribution, but the man who made the department stores, the chain stores, the mail order houses and the jobbing houses brought about the actual fruition which is based upon the principle. We could go on from one national problem to another and show that the solution in no case was a panacea, but was brought about by the practical working out of the principles which underlie that particular problem.

Today, the greatest problem facing America, if not the world, is that of stimulating the worker to do his best, of securing the coöperation of those on whom we depend to do the world's work. Our problem is one of personnel administration. The principles and practice which were effective in solving our other national problems will not solve this one.

PRINCIPLES OF PERSONNEL ADMINISTRATION

Attention should be brought to three of the fundamental principles of personnel administration that underlie our problem, and to the fact that practice based on these principles are essential steps in securing stability of labor.

Placement of Worker

The first principle is this: *Every worker should be placed in that position where he has the best possible chance to make the most of himself.* This must be interpreted as consistent with the larger interests of society as a whole. Our practice is diverse from this principle. Thus one practice which may seem far afield but one which played a very large part in the history of the world is a caste system, such as that of India, where "by the will of the gods" people are placed in a particular calling. Similarly the guilds of Europe determine the vocations which a person should be allowed to enter. The mere proximity of the job and the available jobs have played too large a part in our practice. Lastly, social approval of certain jobs and disapproval of others play a very large part at present in vocational placement in America.

If we should attempt to analyze the reasons which have brought us to the jobs that we now occupy, we might find that the general practices here referred to are significant factors.

Practices for Placements in Industry

Here are some of the practices which have been believed in and followed by wise men in all ages for placements in industry. No man believes in very many but most men believe in some. Astrology, augury, chance as manifested in drawing of straws, casting of lots or the flipping of a coin, chiromancy, chiromancy, character analysis, divination, fortune-telling, horoscopes, hypnotism, intuition, magic, mediums, mind-reading, necromancy, omens, occultism, oracles, palmistry, phrenology, physiognomy, premonitions, psychological tests, sooth-saying, sorcery, sortilege, sub-conscious hunches, stigmata, talisman, trade tests and telepathy are some of these practices.

If we do not follow these practices

in placing the individual in employment then we must depend upon the judgment of the maiden school-teacher, the indulgent mother, the ambitious father, the listless recruiting officer, the mercenary employment agent, or worse yet, the indifferent employment clerk. Vocational guidance has been wholly unscientific and unsatisfactory. People have not been placed with adequate care. Our practice has fallen far short of our principle. Indeed, our practice cannot come up to the principle until the necessary preliminary steps have been taken. These preliminary steps may be analyzed.

Judging Applicants and Workers

We cannot place people wisely until we have developed a skill and a technique of judging applicants, whether that judgment be based on previous experience, whether it be based on the desire of the individual and his interest, whether it be based on some objective measurement of skill or of capacities—or an interpretation based upon actual accomplishments in present tasks—or whatever it is, we must develop a technique of judging people before we begin an adequate system of scientific placement.

Job Description

We cannot place people in positions until we know the positions; that is, we must make an adequate occupational description of every job in the house to which the person appears as an applicant or in which he exists as a worker, before we can place people where they belong. That description must include many items, *e.g.*, the experience essential; the duties and responsibilities; the conditions under which the work is performed; how each particular job falls in with the other parts of the organization, the kind of a man necessary, the inducements pro-

vided. A whole list of items must be provided on every job before we know whether any particular individual is adequately adjusted to that position.

We cannot place people wisely until we have instituted a personnel staff with adequate training and interest to make a study of employees and applicants, and a study of the jobs; and with authority to place the workers where they belong, and to provide opportunities for change and promotion.

When we have taken these steps we are then in a position to begin to place people where they may be contented, where they may render the greatest service to the company and where every individual will have the best possible chance to make the most of himself. Labor will not be stable until we have adequate placement.

Education in Industry

Old Attitude.—The second principle to which I want to call attention is that *education should be continuous throughout the period of service.* I speak of the individual as a worker, the individual as a member of the organization, the individual as a member of a family, the individual as a citizen of the state, the individual possibly as a prospective junior executive. In our practice on the problem of education in industry we have placed a great gulf between education (or school) and work. Education is an isolated thing, apart from practical life. There is no relationship between the school and the plant, between theory and practice. Education is identified with the learning of reading, writing and arithmetic—with the acquisition of knowledge, more or less useful—with committing to memory the deeds of our ancestors, more or less worthy—with the perpetuation of culture, whether that culture be interpreted to mean Greek, Roman, Chinese, or Germanic;

art for art's sake; culture for culture's sake; pure learning uncontaminated by practical application. Keep the school away from business; they have no relation to each other. That is pretty largely our practice, as far as education in industry is concerned today.

New Attitude.—According to our modern principles, education is a profiting by experience and continues throughout the entire period of service. We do not graduate and have all the learning we are ever to get and then begin work. We should begin work early and go to school always. There is no gulf between the school and the office.

In reading Homer it is quite possible that the boy may be getting an education. He is if he is profiting by his experience, so that he can read more Greek, and come to learn a new civilization, improve his own vocabulary, or in any other way profit by his experience, but unless he does, reading Greek has no educational value. The young man in the plant may be profiting by his experience faster than the student in the schoolroom. The one standard is profiting by experience.

Responsibility of Employer.—The employer today must stand in a position of very great responsibility if this ideal is to be carried out. He must provide the experience that has educative value and he must stimulate the worker to respond to the situation and profit by the experience.

We know that in college we may provide educative experience and get no response, and, on the other hand, a situation which may seem to be quite sterile may result in an adequate response. However it is no excuse to say, "Well, my workers aren't interested in the work, they are shiftless, they know they can get a better job across the street. They don't care anything about it and they don't profit by experience."

That is no excuse. The worker will be dissatisfied unless he can feel that his education is continuous and that today he is a better trained man than he was last week, and believes that if he stays with the company another year his training will be much more complete than it is now. Regardless of age, regardless of the job, education should be continuous throughout the entire period of service and it should include and have regard for the worker as an individual, as a member of the organization, as a member of the family and as a citizen of the state.

Appealing to the Individual Worker

The third principle involved in producing stability, to which I want to call your attention, is this: *We should make appeals to many incentives to action, and to those incentives which make the strongest appeal to that particular individual.* We need to emphasize the necessity of a manifold appeal and the appeals which fit that particular individual.

I should like to prove in practice that we do not do it that way—how in an age or a particular class we make our appeals primarily through one stimulus, and in another age through another. We speak historically of the industrial world as a whole. I think we can say that primarily the stimulus to action in industry has been fear. This fear may have been provided by the slave driver, by the master, by the boss, by the fear of losing the job, by the fear of hunger, by the fear of poverty, but, historically, fear in some form has been the great motive in the industrial world.

In the army, where we have had to deal with millions of men, we rest primarily on discipline, and discipline may be interpreted as habit backed up by fear. In athletics the stimulus on which we depend has been primarily that of competition. Occasionally it

may be loyalty to the team, to the club, or to the alma mater. We can go on and analyze situation after situation and you will find in one case that an appeal is made to the logic of the situation, and in another to the sentiments. It may be to the ambition, it may be to the creative impulse, it may be to respect for the family's good name, it may be for social approval, it may be an appeal to the lower self or to the higher self, it may be anger or fear, or it may be to escape one thing or to gain another. The human individual is the most complex mechanism of which we do know anything at all, and may be appealed to in many ways, but in industry today, we depend almost completely upon the logic of the pay envelope.

In the ancient world industry could probably not have been secured without fear, but good results were never secured without something in addition to fear. In the army we probably could never get results without discipline, but we are convinced that we can never get good results in the army if we depend exclusively upon discipline. We need to make appeals to the higher nature. We need to make appeals that, under the circumstances, bring results to the individual and to the situation. Here is an illustration of making the right and the wrong appeal.

A boy from the mountains of the south appeared in the camp during the period of war as a radically conscientious objector, and the dictum had gone out, "Treat 'em rough." In fact, the commanding officer in this case said, "Give him hell." This mountaineer with that treatment would in a few days have been sent to Leavenworth as incorrigible. That one treatment of "Treat 'em rough" for the conscientious objector worked in many cases, but it would not work in this case. Then a new officer was put in charge, one who tried new tactics. He ap-

pealed to this conscientious objector on the ground of duty and loyalty, that it was his duty to advance the Kingdom of God on earth and to fight against the enemy of truth, and he yielded to that treatment and went to the front. And in a single day with his own rifle and revolver he shot 60 officers and privates in the German Army and brought home 183 prisoners. He was the hero of the American Army. The motive applied was the motive which appealed in that particular case. A shift of motives changed that man from a criminal to the American idol and the greatest hero of the American Army. In industry today we have a lot of trouble makers, agitators, loafers, people who are not interested in the job, but some of them are as they are because of the treatment they are

receiving. There are some who could be converted into Sergeant Yorks of industry if they were handled as wisely.

I have called attention to three of the principles of personnel administration and to the accompanying practices. If we are to stabilize industry, if we are to be fair to the worker, fair to industry and fair to society as a whole, we must see that every worker is placed where he has the best possible chance to make the most of himself. We must make the most of the worker by making his education continuous throughout the period of his service. We must enable him to do his best by giving him the most adequate stimulus to action. The task of personnel administration is not the job for a small man or a pessimist. It is a job for a big man and an optimist.